

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6264**

**BILL NUMBER:** HB 1057

**NOTE PREPARED:** Jan 29, 2004

**BILL AMENDED:**

**SUBJECT:** Increased Firefighting Fund Levy.

**FIRST AUTHOR:** Rep. Foley

**FIRST SPONSOR:**

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill increases the firefighting fund maximum levy of Washington Township in Morgan County by \$150,000.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** The state pays Property Tax Replacement Credits (PTRC) in the amount of 60% of school general fund levies attributable to all property. The state also pays 20% of the portion of all operating levies (including the remaining 40% of the school GF levy) that are attributable to real property and nonbusiness personal property. Homestead Credits are paid by the state in the amount of 20% of the net property tax due on owner-occupied residences.

If the township's property tax levy rises as a result of the additional levy authority granted by this bill, then the state's expense for PTRC and Homestead Credits would also increase. PTRC and Homestead Credits are paid from the Property Tax Relief Fund, which is annually supplemented by the state General Fund. Therefore, any additional PTRC or Homestead Credit payments would ultimately come from the state General Fund. The maximum additional state expense would be \$54,000 per year. The actual expense, which would in all likelihood be less than \$54,000, would depend on the property mix in the part of the township served by the township fire department.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill would add \$150,000 to the Fire Fund maximum levy, giving the

township an additional \$150,000 in levy authority.

*Background Information:* In CY 2003, Washington Township's general maximum permissible levy was \$264,106 and the certified levy in the General and Poor Relief Funds was \$59,956. The township Fire Fund maximum permissible levy was \$165,743, and the Fire Fund certified levy was \$165,508.

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** Washington Township, Morgan County.

**Information Sources:** Local Government Database.

**Fiscal Analyst:** Michael Squires, 317-233-9456.